

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 187,
2 Page 58, Section 427.300, Line 214, by inserting after said section and line the following:

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4 "431.204. 1. A reasonable covenant in writing promising not to solicit, recruit, hire, induce,
5 persuade, encourage, or otherwise interfere with, directly or indirectly, the employment of one or
6 more employees or owners of a business entity shall be presumed to be enforceable and not a
7 restraint of trade pursuant to subsection 1 of section 416.031 if it is between a business entity and
8 the owner of the business entity and does not continue for more than two years following the end of
9 the owner's business relationship with the business entity.

10 2. A reasonable covenant in writing promising not to solicit, induce, direct, or otherwise
11 interfere with, directly or indirectly, a business entity's customers, including any reduction,
12 termination, or transfer of any customer's business, in whole or in part, for the purposes of providing
13 any product or any service that is competitive with those provided by the business entity shall be
14 presumed to be enforceable and not a restraint of trade pursuant to subsection 1 of section 416.031 if
15 the covenant is limited to customers with whom the owner dealt and if the covenant is between a
16 business entity and an owner, so long as the covenant does not continue for more than five years
17 following the end of the owner's business relationship with the business entity.

18 3. A provision in writing by which an owner promises to provide prior notice of the owner's
19 intent to terminate, sell, or otherwise dispose of such owner's ownership interest in the business
20 entity shall be presumed to be enforceable and not a restraint of trade pursuant to subsection 1 of
21 section 416.031.

22 4. If a covenant is overbroad, overlong, or otherwise not reasonably necessary to protect the
23 protectable business interests of the business entity seeking enforcement of the covenant, a court
24 shall modify the covenant, enforce the covenant as modified, and grant only the relief reasonably
25 necessary to protect such interests.

26 5. Nothing in this section is intended to create or to affect the validity or enforceability of
27 covenants not to compete, other types of covenants, or nondisclosure or confidentiality agreements,
28 except as expressly provided in this section.

29 6. Except as provided in subsection 3 of this section, nothing in this section shall be
30 construed to limit an owner's ability to seek or accept employment with another business entity

Action Taken _____ Date _____

1 immediately upon, or at any time subsequent to, termination of the owner's business relationship
2 with the business entity, whether such termination was voluntary or nonvoluntary."; and
3
4 Further amend said bill by amending the title, enacting clause, and intersectional references
5 accordingly.